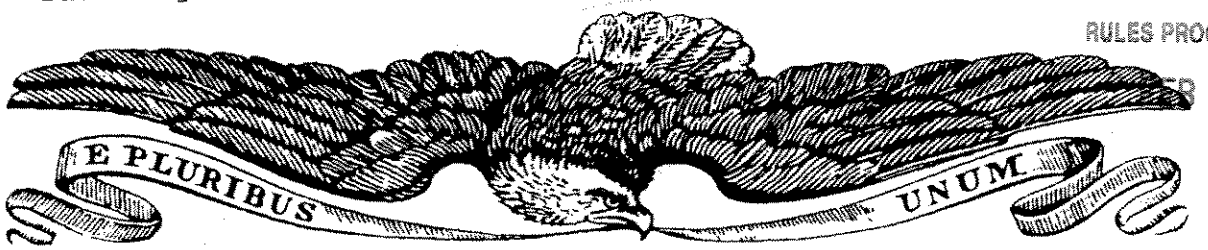


BALD EAGLE POWER COMPANY INC.

DEDICATED TO PRESERVING AND CREATING CLEAN AIR, LAND, AND WATER

February 24, 2006

Department of the Interior
Minerals Management Service

ATTENTION: Rules Processing Team (RPT);

381 Elden Street, MS-4024
Hernden, Virginia 20170-4817

Reference "Alternate Energy Related Uses on the Outer Continental Shelf - 1010-AD30"

The following comments presented in this document prepared by The Bald Eagle Power Company, may be used by MMS for public inspection, distribution and publication in their entirety.

Bald Eagle Power Goals and Mission Statement

Bald Eagle Power's goal and mission is to quickly end the use of oil in the U.S. By using Atlantic Ocean seawater, an unlimited feed stock, to replace oil as America's primary energy carrier, BEPC can produce enough hydrogen and oxygen to replace our total use of oil. To do this we split seawater into hydrogen with electricity made from renewables: offshore winds, light, ocean waves, tides and currents converted to electric power. The benefits would be immeasurable in all quarters of America's prosperity, employment, industry and world power.

BEPC will store hydrogen gas offshore in pressurized underwater pipelines to blend with methane gas and distributed throughout New York State's natural gas pipeline system. Step one will convert New York City to fuel cell use and NG powered vehicles. Using the NG pipeline network New York State will be next into the Hydrogen Economy, then the rest of America in short order.

Sincerely,

Frederick G. Carrier

Founder, Chairman, President, CEO
Bald Eagle Power Company Inc.

20 West 46th Street New York, NY 10036 Tel./fax: 212-221-3723

BALD EAGLE POWER COMPANY INC.

DEDICATED TO PRESERVING AND CREATING CLEAN AIR, LAND, AND WATER

GREEN HYDROGEN SEASHORSE PROJECT™ FACT SHEET

PROJECT DEVELOPER: Bald Eagle Power Company, Inc. (Incorporated in New York State: 7/2/92)
FERC Exempt Wholesale Generator: Docket #EG93-6-000
FERC Small Power Production Facility: Docket #QF93-101-000
U.S. Army Corps of Engineers: Permit filed 5/3/02 (I.D. # 2002-00677-RS)
Environmental Assessment Draft submitted to USACOE: 02/27/03
Revised Section C Part 7 EA Draft Filed: 10/4/05
Minerals Management Service: Application filed 10/05/05; meeting with regulators: 12/1/05

PROJECT LOCATION: North Atlantic – Outer Continental Shelf
PROJECT WATERSHED: Federal Waters Beyond Three-mile line
PROJECT SITE: Longitude & Latitude Boundaries:
Eastern Boundary: Block Island Sound: 40°03'07"N 71°45'00"W
Western Boundary: Long Island, NY: 40°31'07"N 73°41'07"W
PROJECTED AREA: 116 miles long x 4.5 miles wide (522 sq. miles)

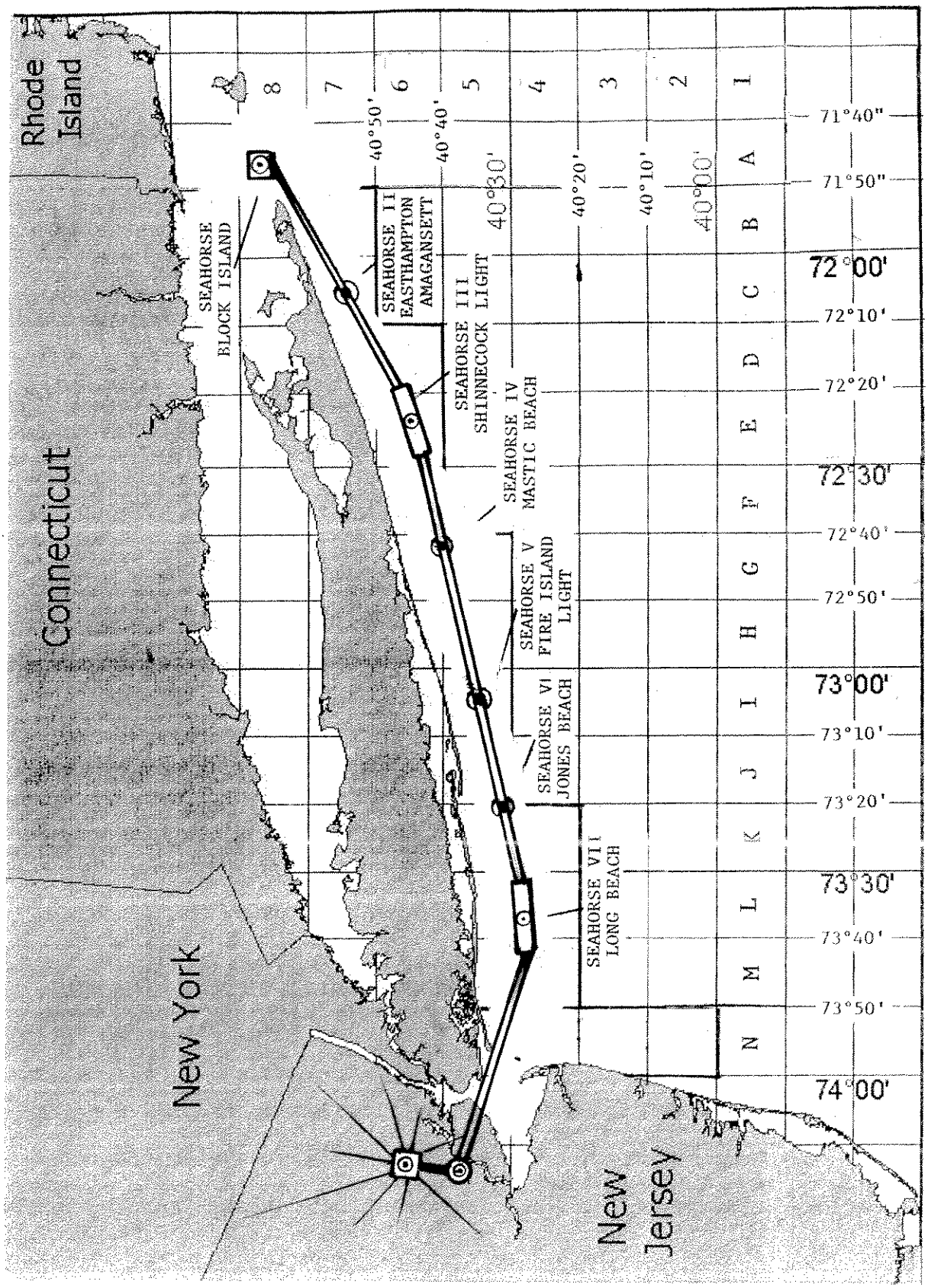
- BEPC will employ **Photo Voltaics, Wind Power, Ocean Waves, Tides and Currents** combined with **existing H2 technology and products** to generate electricity to split seawater into green hydrogen and oxygen gas. For safety, H2 will be stored underwater and transported ashore in DOT approved containers. BECP will R&D formulas for a safe, practical H2/Natural Gas (NG) blend called **HY -2-GAS©** to sell at NYC pumps for approximately 25 cents/kg. This is equivalent to a gallon of gas for fuel cells and internal combustion engines converted to NG..

PHASE I: After permits, BEPC to erect 7 Instrument/Communications Towers on the OCS for 4 functions: 1) Serve as Homeland Defense Sentinels for N.E. coastline and harbors; 2) Prepare environmental surveys to determine if mitigation procedures would be required; 3) Perfect a sustainable closed-loop H2/oxygen system to provide perpetual H2 energy for Met/Com tower operation; 4) R&D PV, wind and ocean energy sources for sustainable offshore H2 production. During Phase I, BEPC will secure permits to use natural gas pipelines to supply New York City gas stations for HY-2-GAS sales.

PHASE II: Secure use of natural gas pipelines to access New York State gas stations for HY-2-GAS distribution for cars, trucks, buses, train, boats, planes, farms, homes and apartments, public and private office buildings. BEPC will increase H2 output to replace gasoline use in NYS in approximately 20 months.

PHASE III: Nationwide expansion of offshore renewable energies to create billions of tons of Hydrogen to be distributed through existing U.S. NG pipelines. BEPC estimates approximately 45 months to end oil use in the USA. Commence massive conversion of existing NG pipelines into nationwide Hydrogen pipeline systems and shut down all import of oil or NG forever.

20 West 40th Street • New York, NY 10036 • 212-221-3721 • lrusa@earthlink.net


SEAHORSE OFFSHORE H2 PIPELINE STORAGE AND DISTRIBUTION SYSTEM
Rhode Island
Connecticut
New York
New Jersey
SEAHORSE BLOCK ISLAND
SEAHORSE II EASTHAMPTON AMAGANSETT
SEAHORSE III SHINNECOCK LIGHT
SEAHORSE IV MASTIC BEACH
SEAHORSE V FIRE ISLAND LIGHT
SEAHORSE VI JONES BEACH
SEAHORSE VII LONG BEACH
40°50'
40°40'
40°30'
40°20'
40°10'
40°00'
71°40"
71°50"
72°00'
72°10'
72°20'
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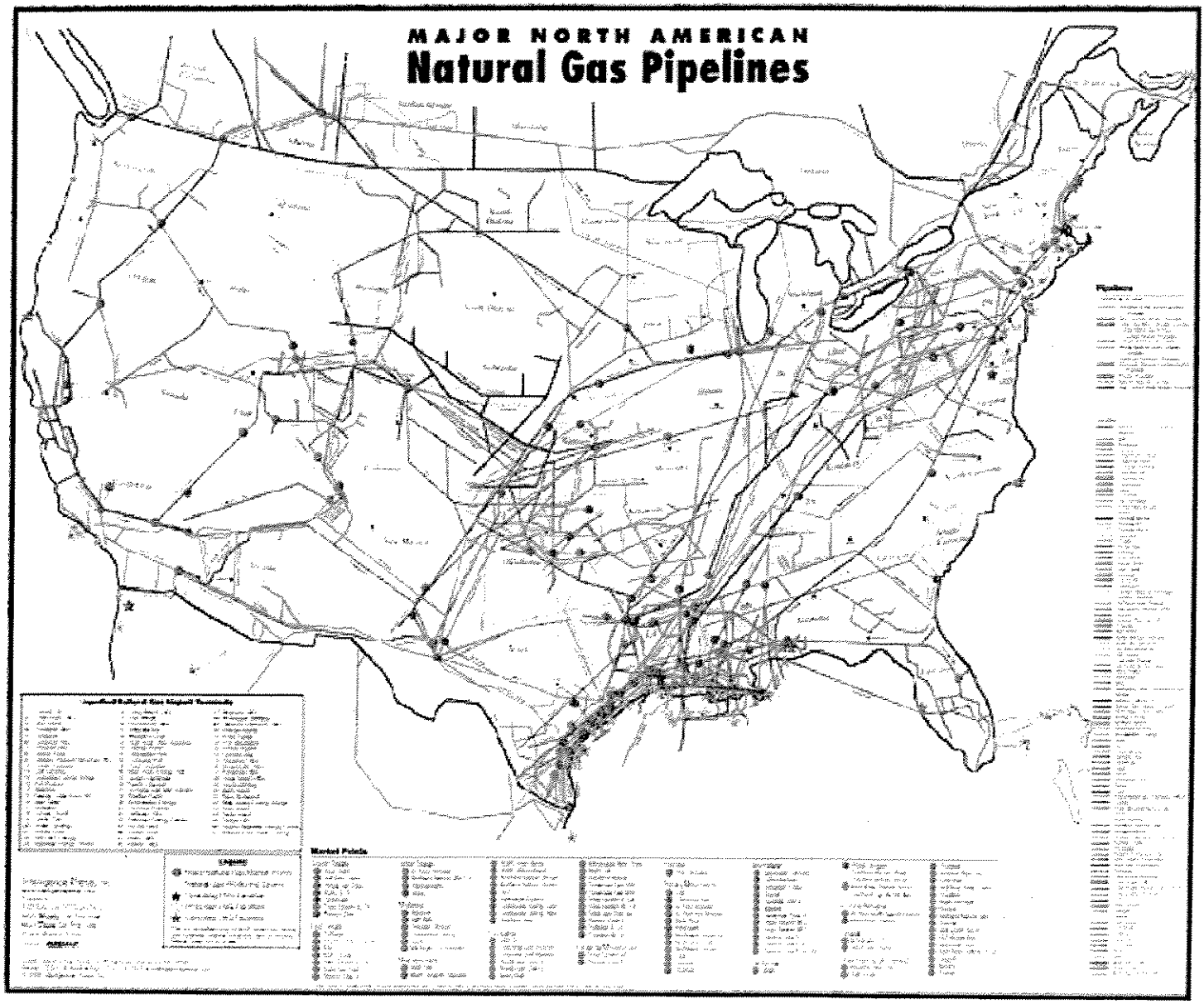
73°40'
73°50'
74°00'
GREEN HYDROGEN BLENDS INTO HY-2-GAS FOR NEW YORK PIPELINE MARKETS

UNITED STATES NATURAL GAS HYDROCARBON PIPELINE MAP



IN 4 YEARS THIS NATURAL GAS PIPELINE NETWORK COULD LAUNCH THE HYDROGEN ECONOMY BY MARKETING HY-2-GAS° AT 25¢ A KILOGRAM

REFERENCE: Alternate Energy Related Uses on the Outer Continental Shelf - 1010-AD30

MMS QUESTIONS

1. Are there regulatory regimes either in the U.S. or abroad, that address similar or related issues that should be reviewed or considered as MMS moves forward with the rule making process?

BEPC ANSWERS WILL HAVE AN (*) AS AN IDENTIFICATION

(*) Yes. There are many operational offshore wind farms throughout the European Union and other countries. The environmental problems and solutions these offshore producers and their facilities have resolved could be a valuable resource for MMS to analyze for discoveries in the regulatory and end user resolutions for successful renewable energy operations.

MMS PROGRAM AREA: Access to OCS Lands and Resources.
MMS GENERAL ISSUES: Please provide information on how MMS can best:

A. Provide access for resources and site assessment.

(*) (BEPC- MMS could have a Q&A Hot Line to answer questions and give advice to potential producers seeking OCS leases and provide work sheets and instructions for potential applicants outlining the following issues B,C,D,E,F,G,H,I,J)

B. Issue the appropriate instrument (e.g.. leases, easements, rights-of-way)
C. Solicit interest for development projects.
D. Identify terms and conditions of use such as:
Issuance
Duration
Assignment of rights
Suspension and cancellation of rights
Limitation of rights
E. Identify geographical areas of interest for:
Resource and site assessment.
Development feasibility
F. Ensure fair competition
G. Process permits and applications
H. Process pre-application resource assessments
I. Allow concurrent developments
J. Minimize multi-use conflicts

SPECIFIC QUESTIONS:

2. Possible development scenarios include phased access rights, which would allow resource and/or site assessments and research prior to securing additional access rights. Rights could be permitted on a case-by-case basis.

(*) Lease seekers would save on site survey expenses with phased access rights.

Development rights would be secured by competitive process.

(*) Competitive process on OCS leases would place serious burdens on lease seekers who spend considerable time and money researching a site only to have it go up for competitive bids an lose invested time and money by being out-bid on a property the original developer found, researched and lost. Perhaps when a request is submitted for a specific site on the OCS, a public notice could be issued and if a parallel submission to MMS is tendered, a reasonable "R&D" permit could be issued to the original developer with a security clause built in for the applicant that would serve as protection against be ambushed in a competitive bid war. An alternative would be to issue an interested developer documents to secure the access rights to an area prior to conducting assessments and research. Should a developer who has received pre-access rights from MMS to R&D a site and invests time and money over a period of (sometimes years) and the property is auctioned off to the highest bidder. Perhaps MMS can create documents that would allow the prime developer to recover documented costs and expenses by the winner of the auction or high bid.

Please comment on these possible options.

3. In cases where applicants or interested parties proposes activities that would foreclose competing future uses, how should MMS estimate "a fair return," especially if the competing uses would likely be public use?

(*) MMS should lean towards public benefits in considering granting permits, leases and right-of-ways for OCS use. Other activities that seek "a fair return" on future uses such as commercial drag fishing, sand & gravel dredging, trash dumping or other degrading programs should be rejected in favor of public benefits.

4. What constitutes a geographical area of interest?

(*) Areas where natural resources on or near OCS sites requested by producers are necessary for product production or the sites are near to end use of product produced, could be considered as "a geographical area of interest".

5. What assessments should we require prior to competition?

(*) All OCS Site(s) applicants should present a "Purpose, Rationale, and Mission statement of their intended use and promotion of the product they intend to produce on the OCS Site(s). Public benefit should be the primary assessment in considering site developers.

6. How should MMS structure the competitive process and the application process used to insure OCS access rights? Should MMS auction access rights or engage in direct negotiations?

(*) Direct negotiations is the preferred method in the application process

because: Applicants, as a basic rule, will have specific and many times vital reasons for selecting a specific site for development. If access rights are granted, the R&D and primary production performed by the applicant at the site may not fulfill perceived goals and re-assessments will determine if the production company will continue by changing site locations, seek better renewable energy offshore sites or other production projections could determine business reasons to continue on the OCS or shut down operations.

These reasons preclude competitive bidding, unless: MMS operating as they do on surveying plots in the Gulf, selects and surveys possible OCS sites for renewable energy development and prepares and executes Accepted, Transferable Environmental Impact Statements and Permits and approved other regulatory permits for the specific sites up for competitive bids. Renewable energy developers will have serious business decisions to make when submitting bids on an OCS Site that does not have a Renewable Energy Track Record that can provide spread sheets that justify an income projection that makes the usual offshore renewable energy project risk acceptable.

Competitive bidding for oil leases frequently have verifiable geological projections and records that predict barrel totals for oil production. Renewable energy wind, PV, wave and electric current production are considered intermittent power.

Offshore Renewable energy producers have difficult negotiations in securing finance for their projects, Unless they have "bankable" Power Purchase Agreements (PPA) from utilities that commit to a long term (20 years or more) PPA at a price (including the 1.7¢ per KWH Fed Tx Credit) that a bank will accept as security to provide financing for the project.

In summary, MMS should consider seeking other ways of direct negotiations with MMS for OCS Renewable Energy Sites in stead of employing the competitive bidding process. It would absolve MMS of need to wade through the minefields of Federal, State amd Local permits that must be secured before any work can commence on any OCS site.

7. Should MMS take a broad approach to developing a program, or should efforts be targeted to specific regions?

(*) In the primary stages of OCS site management, MMS should take a broad approach by solicit proposals from Renewable Energy Producers that have selected specific sites for development. MMS should solicit producers who have select sites they would like to develop and have pre-application meetings to resolve application problems details for both sides.

MMS could then put the proposal into MMS system and seek solutions or denials to the applicants request. The problems of regulatory permit approvals would be the responsibility of the applicant not MMS. After a time of processing MMS OCS permits a pattern will emerge that can be assessed and acted upon by MMS in processing future OCS Renewable Energy Applications.

8. How should MMS consider other existing uses when identifying areas for access?

(*) Other existing uses could be discussed in the pre-application meetings. In addition, MMS should have applicant conduct public hearings in the selected site area where all aspects of other existing uses can be discuses. Full reports of these meetings should accompany applicants paperwork submitted to MMS for consideration. A general overview for MMS would be that all OCS Site uses would emphasize public benefits and welfare of the marine environment of the site(s) being considered for leases. KEY MMS issues should be concerned with: site environmental pollution, noxious gas emissions, rights-of-way, recreation potential, water access restrictions and other matters that could degrade the site(s) if the project fails or goes awry.

9. How should MMS balance existing uses within an area with potential wind and current energy projects?

(*) In these specific cases, pre-application meetings, public hearings on issues to be conducted. Public notices outlining the benefits (and negatives) of a renewable facility in proximity to existing use sites. Representatives from Governmental environmental and regulatory agencies should be present to assist in determining if the existing uses supersede potential benefits of a renewable energy facility infringement.

10. Should MMS require permits for collecting data from vessels?

(*) YES. All vessels conducting surveys, extracting core samples, gravel & sand dredging, marine species biology studies within the specific site(s), flora, fauna destruction, turbidity, displacements and restoration of marine bio-cultures, mammal and reptile displacement at production sites and other air, water and substraite disturbances should require mitigation procedures on all MMS Site Specific Permits, right-of-ways etc.

MMS SHOULD ALSO INSTITUTE PERMIT REQUIREMENTS FOR OCS COMMERCIAL FISHING TO INCLUDE: BEAVER OR DRAG LINE FISHING, LOBESTERING, CLAMMING, SCALLOPING OR OTHER COMMERCIAL FISHING ON THE OUTER CONTINENTAL SHELF.

Sailing, sport and commercial fishing occupations are the major opponents of any incursion into their fishing grounds because they feel that because of years and years of having these grounds un-restricted and available to them, gives them the exclusive right to fish where ever they choose and that any restriction to those rights it tantamount to a declaration of war between the fishermen and the developers who chose to erect wind mills or other renewable energy facilities within their traditional fishing grounds.

There are few if any Federal regulations governing commercialization of fishing and exploiting natural resources on the OCS. MMS Should review all Federal, state, and local regulations and create an operational guide for MMS regulators to review when considering OCS permit applications.

Exceptions would be: Dutifully licensed individuals for surf fishing, claming, scallop and Mussel harvesting on the OCS where legally permitted.

MMS issued permits should specify site specific day and month restrictions. These restriction should be coordinated with State Coastal Zone, Marine

Fisheries and other Federal, state and local Bureaus including: US Fish and Wildlife Service, Marine Fisheries, Coast Guard, U.S. Navy. Homeland Security Service and other US Governmental regulatory Bureaus and Departments. All private or commercial vessels should require MMS permits unless the vessel is or on official governmental mission.

MMS permits will mitigate violent conflicts between OCS renewable energy developers, fishermen, boaters and viewshed objections from NIMBYS, waterfront residents, businesses and commercial fishermen.

MMS should let all permitted OCS producers know that they are the custodians and keepers of public resources and that MMS will vigorously enforce violators of marine OCS and Federal, state and local regulations.

America's Cape Wind developers have spent over 18 millions dollars on defending their right to be permitted to build an offshore wind farm sited beyond the three mile limit in Buzzard Bay off New England's coastline.

Terrible conflicts have been experienced by offshore renewable energy wind farm developers by those opposed to the project who feel their on-site presence gives them unassailable rights to fish, occupy, anchor on, build upon or harvest from the OCS chosen by the OCS developer. Local property owners champion their rights to restrict lawful renewable energy development of OCS sites that infringe on the viewscape in front of their property.

11. What criteria (e.g. environmental considerations, energy needs, economics) should MMS consider in deciding whether or not to approve a project?

(*) All projects on the OCS should consider all of the above comments. Decisions should be in the interest of public benefits being primary in the issuance of a MMS right-of-way permit or lease.

What criteria should MMS consider for different competing projects (i.e. wind versus current) for the same site?

(*) All criteria should consider the projects total program and how the program will benefit the public welfare, health, viewsacpe, employment, and commerce in the area abutting the project. Environmental benefits (or damage) and economic values (or degradation) should be evaluated as to how the project will effect the immediate site and location.

PROGRAM AREA: ENVIRONMENTAL INFORMATION, MANAGEMENT AND COMPLIANCE

DESCRIPTION:
Environmental management systems and review will be critical components of any activity in the new program. Environmental management systems must address all phases of planning and development, on-going operations, and removal of facilities associated with the new program.

The new program will require identifying mitigation measures, monitoring programs, developing methods of validation and verification; establishing

roles and responsibilities; and developing procedures for determining mitigation effectiveness, all of which are components of an environmental management system.

The environmental management system will rely on an adaptive management strategy that gathers and uses information, including monitoring and evaluation of activities and their environmental consequences.

Based on the results of this analysis and a determination of the effectiveness of the mitigation measures could be implemented. The new regulations will require compliance with all pertinent environmental laws and regulations.

GENERAL ISSUES Please provide information regarding:

K. Information requirements needed for environmental management systems for any project.

L. Assessments and studies of risks and impacts (site-specific and cumulative) associated with offshore energy and alternative use projects.

M. Examples of best practices for environmental compliance monitoring, and effectiveness being used in the U.S. and elsewhere.

N. Balancing environmental considerations with national energy needs.

SPECIFIC QUESTIONS:

12. What types and levels of environmental information should MMS require for a project?

(*) As a requirement for every applicant MMS should require a detailed Mission Statement, Rationale for choosing the site selected and ultimate goal of applicant and why the OCS site was chosen along with at least three possible alternate site selections.

13. What type of site-specific studies should MMS require? When should these studies be conducted?

Who should be responsible for conducting these studies?

(*) After a first pre-application consultation with MMS the applicant should prepare an Environmental Impact Draft Statement that includes all MMS details of interest and how the applicant will conform to other Federal, state and local regulatory requirements.

14. What should be the goals and objectives of monitoring mitigation, and enforcement.

(*) To verify that the Applicant is fulfilling contract specifications and following all permit requirements by operating as they are expected. Serious violations not corrected should be reported and referred to the enforcement section.

15. What types of impacts are of concern?

(*) Pollution to air, water, benthos, marine species habitat destruction compliance with mitigation procedures, interference with migrating bird vectors and local avian dislocations and disturbance, creating unresolved turbidity in area around the OCS facility. Faulty or non-existent safety procedures, major facility degradation without repairs and up-keep, bad management, polluting the air around the facility and any other degradations badly managed OCS facility can impart on the environment, abutting lands and communities.

What are effective approaches for mitigation impacts?

How can mitigation effectiveness and compliance with Federal environmental statutes be assessed?

(*) MMS must make frequent un-announced inspections during the initial few years of OCS facility operations and act according to agreed MMS contracts.

16. What regulatory program elements lead to effective enforcement of environmental requirements?

(*) Unannounced frequent visits to the site by MMS and other regulators and enforcing mitigation of violations. Carry a big club.

17. How should environmental management systems be monitored? (by the applicant, the MMS or by an independent third party?

(*) MMS could deputize or hire local citizens to perform frequent monitoring of all applicant systems and file with MMS transparent reports of findings for comment and action by Applicant and MMS enforcement division.

What should be the MMS roles versus the roles of industry for ensuring appropriate oversight and governance?

(*) Same as above.

PROGRAM AREA: Operational Activities

DESCRIPTION
Operational activities address all aspects of the program from the application through project assessment, development, installation and production, to end of project life and removal of facilities. Inspections, monitoring and enforcement are conducted throughout the entire project life. Risk analysis, engineering studies and research occur as needed.

GENERAL ISSUES: Please Provide Information on:

Q. Permitting pilot projects

(*) Should be decided on during Pre-Application meetings and in case by case permitting process.

P. Insuring human health and safety on and adjacent to the project site.

(*) MMS assign, deputize or hire local volunteers to perform inspections and report on mitigation procedures applicant should comply with. Should applicant frequently default, MMS should cancel permit and enforce and oversee dismantling of OCS facility.

Q. Protecting environmental resources during construction, production and removal.

(*) Details are included in the above MMS oversite enforcement programs.

R. Identifying design and installation requirements associated with new projects and modifying existing facilities.

(*) Applicant should file an engineering/architect/marine geology operational plans that includes all MMS requirements and MMS should enforce mitigation procedures for violations of existing facility damage.

S. Identifying production requirements as a component of diligence.

(*) Details of the applicants mission and goals should contain all the information MMS would require for mitigating statements.

T. Managing end-of-life and facility removal.

(*) Have local deputy or hire notify MMS who alerts Surety Bond holder of MMS formal request for site facility removal and have local officials sign off on successful OCS facility removal.

U. Conducting oversight responsibilities (e.g. inspection, monitoring, enforcement).

V. Identifying technology assessment and research needs.

W. Preventing waste.

X. Conserving resources.

(*) Items U,V,W,X, Solution as noted above.

SPECIFIC QUESTIONS:

18. What options should MMS consider as an alternatives to facility removal?

(*) Use same system MMS uses for abandoned oil rigs in the Gulf.

Are there unique issues (such as liability) associated with those options?

(*) Surety Bonds facilitate site removal unless MMS approves a sale, rental lease of OCS site in which case the new lease holder must have a valid Surety

Bonds to cover dismantlement and other unique issues.

19. What engineering challenges should be considered when operating in the OCS environment?

(*) Design facility to withstand force 5 weather, install and maintain effective fire/explosion alert and prevention system. Have a certifies Coast Guard, Homeland Security Officer in charge of OCS terrorist attacks and other maritime security awareness duties that require timely reports.

20. What safety issues exist when operating an energy production facility on the OCS?

(*) Lightning hits, Hurricane force winds, violent storms, electrical short circuits, fire, ship collisions with OCS facilities, terrorist attacks, emergency marine rescue missions within or near OCS facilities, visitor/labor/management accident insurance. Applicant must show proof of insurance to cover the above to MMS.

21. How should operational activities be monitored (e.g. annual on-site inspections with verification of operating plans)?

(*) YES. Annual on-site inspections with operating plans verified.

22. Are there special considerations that MMS should examine in developing an inspection program that covers a diverse set of renewable production facilities? If so, what are they?

(*) Review regs on how MMS performs inspections in a similar manner as employed by MMS reviewing offshore OIL rigs.

PROGRAM AREA: Payments and Revenues

DESCRIPTION:
MMS has the responsibility to ensure fair return to the United States for the use of any lease, easement, or right-of-way granted.

The MMS is required to establish bonus bids, rentals, fees, royalties, or other payments to ensure that return.

Additionally, cost recovery fees may be collected to compensate for the administrative costs of providing various services.

Developing a payment and revenue structure, as well as appropriately designing fiscal terms applicable to energy and alternate use projects, requires additional information.

GENERAL ISSUES; PLEASE PROVIDE INFORMATION ON:

Y. Bonus bids.

Z. Rentals.

AA. Royalty terms.

(*) BEPC suggests that MMS be paid a single fee for leases and that fee should be paid in the following manner; 25% of the gross revenue sales of all that is produced at the OCS site, in perpetuity. This payment will constitute total revenue due and payable to MMS from the first dollar collected.

BB. Fees, including cost recovery fees or other payments.

CC. Assessing value/benefits and impacts, Public, Private.

DD. Valuing leases, easements or rights-of way.

EE. Comparable fiscal systems.

FF. Surety bonds.

(*) Facility operator/owner's surety bond(s) must guarantee facility dismantling and removal of all materials from the OCS site at termination of operations. Items BB CC DD EE FF should be similar to those regs as applied to oil rig operators.

SPECIFIC QUESTIONS

23. What should the payment structure be designed to collect?

(*) As stated above. 25% gross revenue from the first dollar as total revenue to be collected by MMS.

Should payments be targeted at charging for use of the seabed?

(*) Payments for use of the seabed should be included in the 25% of the gross income payment to MMS. With that payment lessee could ban or collect a fee from those who use the OCS sites for commercial fishing in the area.

Should payments try to capture the opportunity costs of other activities displaced by the activity?

(*) NO.

Should the payment structure be designed to capture a portion of the revenue stream, and if so, under what circumstances?

(*) YES. The 25% of gross sales in perpetuity covers that contingency.

24. Offshore renewable energy technologies are in their infancy. Should the payment structure be designed to encourage the development of these activities until the technologies are better established.

(*) NO. The 25% of gross sales covers all payment contingencies.

25. What methods are used by the renewable energy industry to quantify

the risk and uncertainty involved with estimating the size of a renewable energy resource and evaluating its profitability?

(*) The 25% of the gross sales should determine the resource profitability or failure. Details could be determined through timely consultation between MMS and OCS site producer.

26. What measures of profitability are commonly used as a renewable energy investment decision criteria?

(*) Power purchase agreements, rebates, tax incentives, subsidies, product market price, market acceptance of product, advertising, federal, state or local and corporate subsidies.

How do bonus bids, rents, royalties, fees and other payment methods impact the profitability of these projects?

(*) Depends on how sharp or how clever a contract negotiator is in MMS & Applicant when structuring the deal. Otherwise the answer is hard to tell at this time. There are no working models to compare.

27. Are there economic models available to calculate the profitability of renewable energy proposals.

(*) Developers guard that information with a passion. No reliable information is available. Project must be treated as a demonstration work in progress.

28. Increased reliance on renewable energy offers both economic and environmental benefits. What are the public benefits to society and do they differ from market driven benefits?

(*) Public, economic and environmental benefits are many.
1. An end to the use of oil as a major energy carrier.
2. End of green house gases and pollution.
3. Low, permanent stable price of primary energy resource.
4. Easily accessible vehicular filling stations.
5. Public/people would have their own energy resources under their control at their homes, business, buildings, factories etc.
6. Low cost electric energy would spark rapid economic developments and general public wealth in many development areas.
7. End world conflicts over energy resources and availability along with the collapse and end of the world petroleum market.
8. Create a world peace through abundant cheap energy
9. Energy available at all sites where energy is needed.
10. Massive employment across all markets and nation wide locations.

29. In section 8 (p) of the OCSLA as amended by section 388 of the Energy Policy Act, the Secretary must require the holder of a lease, easement or right of way granted under the subsection to furnish a surety bond or other form of security.

(*) YES.

What options should MMS consider to comply with this requirement.

(*) Options would require special considerations and resolution during pre-application discussions and at frequent meetings and consultations before and during OCS facility operations. All executives and stake holders should participate in these discussions with facility operators and MMS to facilitate operational solutions.

COORDINATION AND CONSULTATION

DESCRIPTION:
Section 8(p) of the OCSLA, as amended including several provisions relating to coordination and consultation with interested and affected parties.

Those provisions call for coordinating and consulting with state governors or local government executives concerning activities that may effect them, developing and implementing regulations in consultation with certain Federal agencies and the governors of effected states, and assuring that the activities are carried out in a manner that provides for coordination with relevant Federal agencies.

MMS views these requirements as essentially covering all aspects and phases of the non-oil and gas energy and alternate use program established by the Energy Policy Act of 2005.

QUESTIONS RELATING TO COORDINATION AND CONSULTATION

30. While MMS considers this ANPR an appropriate start at consultation with interested and affected parties, what other efforts could be undertaken at this early stage of program development?

(*) Distribution, marketing, public acceptance and concern for the benefits of renewable energy is a major hurdle that government and commerce need to address. Without full support and cooperation from Federal, state and local regulators the entire OCS project can swirl in a vortex of regulatory complications and delays without a resolution in sight. Solutions can only be found with full understanding and support from all stakeholders..

31. Should a broad approach be taken to developing an program or should efforts be targeted to specific regions with commensurate coordination and consultation?

(*) A broad approach should be taken in developing feasible programs that could have possibilities of successful fulfillment and operations on the OCS.

32. Would the establishment of Federal/state cooperatives for targeted areas be useful?

(*) Absolutely. Full cooperation between regulating agencies advances the possibility of a successful fulfillment of OCS Renewable Energy Facilities

being actualized.

Similar to the process for OCS oil and gas program formulation, should we solicit comments on which areas of the OCS should be included or excluded from the program?

(*) Yes.

After establishing there is consensus in support of program activities, should coordination and consultation efforts be directed to those areas.

(*) Yes.

Conversely. should such efforts be curtailed or abandoned for areas recommended for exclusion.

(*) Not necessarily. There is always a possibility a producer may discover a use for the areas considered for abandonment.

34. Should procedures for consulting with interested and affected parties be codified in the regulation?

(*) YES. In general and in detail?

35. What process can MMS use to provide for balance between consultations and the time and burden to the projects?

(*) MMS could establish a strict and reasonable time-line for the MMS decision process in determining action on OCS use applications.

36. Are there specific aspects of the new ROW rule issued by the Bureau of Land Management that should be reviewed by MMS for consideration for rulemaking.

(*) Am unfamiliar with the ROW rule

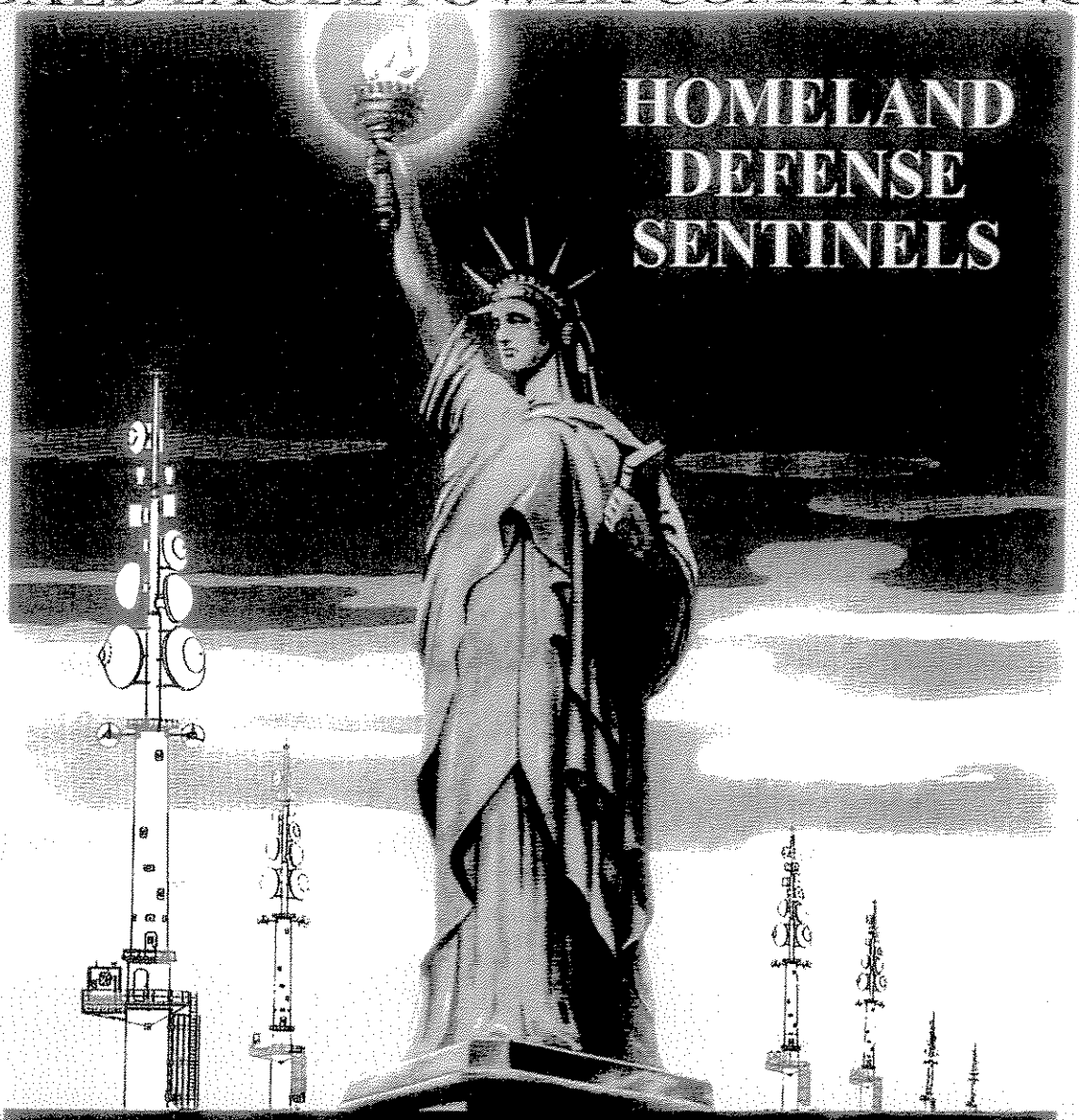
MMS SEEKS RESPONSES to the questions and comments as to which option(s) may be considered the most effective and efficient. After analyzing the comments received from this notice, MMS will determine how to proceed.

MMS encourages all interested parties to respond to these questions and to provide comments on any aspect of this program.

Dated December 7, 2005

Walter D. Cruickshank
Acting Director. Minerals Management Service.
(Fr Doc. E5-8119 Filed 12-29-05;8:45am)

BALD EAGLE POWER COMPANY INC.



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